



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Acting Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

RECEIVED

AUG 13 2009

DIV. OF OIL, GAS & MINING

August 6, 2009

CERTIFIED MAIL
(Return Receipt Requested)

Mr. Bruce Hill, President & CEO
UtahAmerican Energy, Inc.
Genwal Resources, Inc.
P.O. Box 910
East Carbon, UT 84520-0910

Subject: Inspection Reports – UPDES Permit No. UT0024368 (Crandall Canyon Mine)

Dear Mr. Hill:

On July 28 and August 4, 2009 I conducted Reconnaissance and Compliance Sampling Inspections in regards to your UPDES permit referenced above. Specifically I observed the outfalls, discharge and receiving waters of Crandall Creek, which as you know has been discolored to an orange or rust-like appearance. Samples were collected from Outfall 002 as well as from Crandall Creek for comparison.

Enclosed are copies of the inspection reports for your records. Please review the reports, particularly the "Deficiencies" and "Requirements" sections of the narrative report and contact me with any questions. I appreciate Mr. Shaver's continued efforts to keep me informed of the operations. If you have any questions, please contact me at (801) 538-6779 or by e-mail at jstudenka@utah.gov.

Sincerely,

Jeff Studenka, Environmental Scientist
UPDES IES Section

Enclosures

cc (w/encl): Amy Clark, EPA Region VIII
Claron Bjork, SE District Health Department
Dave Ariotti, SE District Engineer
Daron Haddock, Division of Oil Gas & Mines
Dave Shaver, West Ridge Mine
Dale Harber, US Forest Service

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United States Environmental Protection Agency
Washington, D.C. 20460

Water Compliance Inspection Report

United States Environmental Protection Agency
Washington, D.C. 20460

Section A: National Data System Coding (i.e., ICIS)

[illegible]

Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number)		Entry Time/ Date 10:30 am/7-28-2009		Permit Effective Date 12-1-2005	
Crandall Canyon Mine (a.k.a. Genwal Resources, Inc.) UtahAmerican Energy, Inc. ~1.5 miles up Crandall Canyon off Hwy. 31 in Huntington Canyon NW of Huntington, UT		Exit Time/ Date 11:40 pm/7-28-2009		Permit Expiration Date 11-30-2010	
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) N/A		Other Facility Data (e.g., SIC NAICS, and other descriptive information) Bituminous Coal Underground Mining Facility SIC Code 1222 NAICS 212112			
Name, Address of Responsible Official/Title/Phone and Fax Number Bruce Hill, President UtahAmerican Energy, Inc. P.O. Box 1077 Price, UT 84501 (435) 888-4008		SEE ATTACHED			
		Contacted Yes <input checked="checked" type="checkbox"/> No <input type="checkbox"/>			



Section C: Areas Evaluated During Inspection (Check only those areas evaluated)

<input checked="" type="checkbox"/> Permit	<input checked="" type="checkbox"/> Self Monitoring Program	<input type="checkbox"/> Pretreatment	<input type="checkbox"/> MS4
<input type="checkbox"/> Records/Reports	<input type="checkbox"/> Compliance Schedule	<input type="checkbox"/> Pollution Prevention	
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<input checked="" type="checkbox"/> Effluent/Receiving Waters	<input type="checkbox"/> Operations & Maintenance	<input type="checkbox"/> Combined Sewer Overflow	
<input checked="" type="checkbox"/> Flow Measurement	<input type="checkbox"/> Sludge Handling/Disposal	<input type="checkbox"/> Sanitary Sewer Overflow	

Section D: Summary of Findings/Comments

(Attach additional sheets of narrative and checklists, including Single Event Violation codes, as necessary)

SEV Codes	SEV Description
A 0 0 2 2	Narrative Standard Effluent Violation

Name(s) and Signature(s) of Inspector(s) JEFF STUDENKA, ENVIRONMENTAL SCIENTIST 	Agency/Office/Phone and Fax Number(s) DWQ (801) 538-6779	Date: 8-6-09
N/A		
Name and Signature of Management Q A Reviewer MIKE HERKIMER, MANAGER UPDES IES SECTION 	Agency/Office/Phone and Fax Number(s) DWQ (801) 538-6058	Date: 8/10/09

Water Compliance Inspection Report

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[illegible]

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SEV Codes	SEV Description
A 0 0 1 2	Numeric Effluent Violations

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N/A		
Name and Signature of Management Q A Reviewer MIKE HERKIMER, MANAGER UPDES IES SECTION 	Agency/Office/Phone and Fax Number(s) DWQ (801) 538-6058	Date: 8/10/09

INSPECTION PROTOCOL

UPDES Permit #: UT0024368 – Genwal Resources Crandall Canyon Mine
Inspection Type: Reconnaissance Inspections + Compliance Sampling Inspections
Inspection Dates: July 28 and August 4, 2009
Weather Conditions: Sunny and warm, ~ 80 °F.

Jeff Studenka of the Division of Water Quality (DWQ) visited the UtahAmerican Energy, Inc., Crandall Canyon Mine Facility (a.k.a. Genwal Resources, Inc.) while already in the area. The purpose for the site visits were to perform reconnaissance and compliance sampling inspections as a result of recent elevated total iron concentrations in the mine water discharge as noted during the previous inspections on February 3, 2009 and July 28, 2009.

FACILITY DESCRIPTION

Location: Within Manti-LaSal National Forest, approximately 1.5 miles up Crandall Canyon, off Hwy 31 in Huntington Canyon, ~15 miles northwest of Huntington, Utah.

Coordinates: Outfall 001 – 39° 27' 38" latitude, -111° 09' 38" longitude
Outfall 002 – 39° 27' 38" latitude, -111° 09' 59" longitude

Average Flow: ~ 0.75 MGD (Outfall 002)

Receiving water: Crandall Creek to Huntington Creek

Process: Former underground coal mining operation. Water from the inactive mine is gravity conveyed to below ground settling areas, where it is then piped out of the mine and discharged to the Crandall Creek culvert (Outfall 002). Surface water is conveyed to an above ground settling pond with a discharge point (Outfall 001) to Crandall Creek.

INSPECTION SUMMARIES

July 28, 2009: This inspection was limited to outside the mine where the water collection and distribution systems are exposed. At the time of the inspection, the sedimentation pond was mostly dry and well below discharge levels. The mine water flow meter was observed and did not appear to be functioning properly. The outfall locations were observed as well as the receiving waters of Crandall Creek. Above the mine site, Crandall Creek was flowing very clear and steady at the upstream flume location, however below the mine site significant rust-colored deposits were observed immediately adjacent to the Crandall Canyon culvert and Outfall 002 and continuing downstream towards Huntington Creek. The discoloration appeared to be from the elevated total iron in the effluent discharge. As planned, DWQ collected discharge compliance grab samples @ 11:30 am from Outfall 002 for TDS, TSS, total iron, and oil & grease parameters and the results will be compared to the July 2009 DMR as soon as both are available. Photos were also collected and are attached herein with a photo log.



United States Environmental Protection Agency
Washington, D.C. 20460

Water Compliance Inspection Report

Section A: National Data System Coding (i.e., ICIS)

Transaction Code N	NPDES U T 0 0 2 4 3 6 8	yr/mo/day 0 9 0 8 0 4	Inspection Type R	Inspector S	Fac. Type 2
1	2	3	11	12	17
Remarks					
21					
66					
Inspection Work Days 2	Facility Self-Monitoring Evaluation Rating 3	BI D	QA N	Reserved	
67	69	70	71	72	73 74 75 80

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Water Compliance Inspection Report

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Inspection Work Days		Facility Self-Monitoring Evaluation Rating										BI		QA		Reserved								
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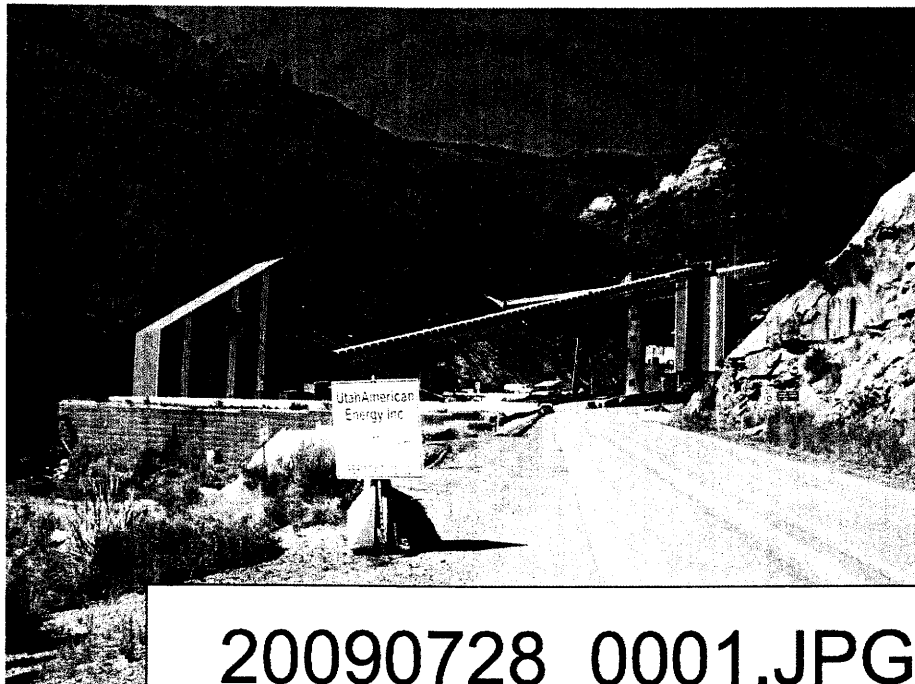
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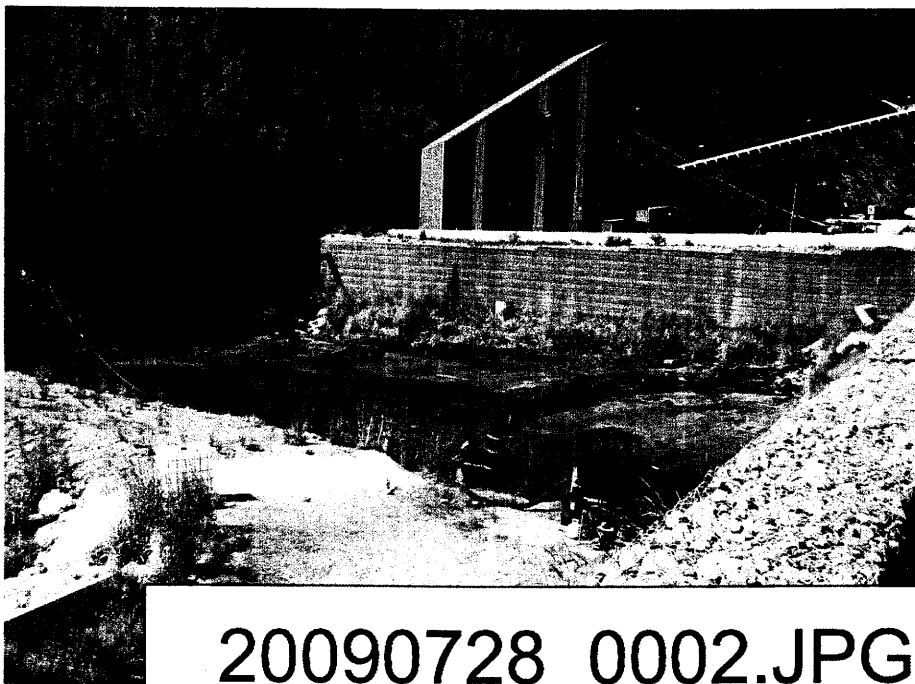
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Genwal Resources & Crandall Canyon



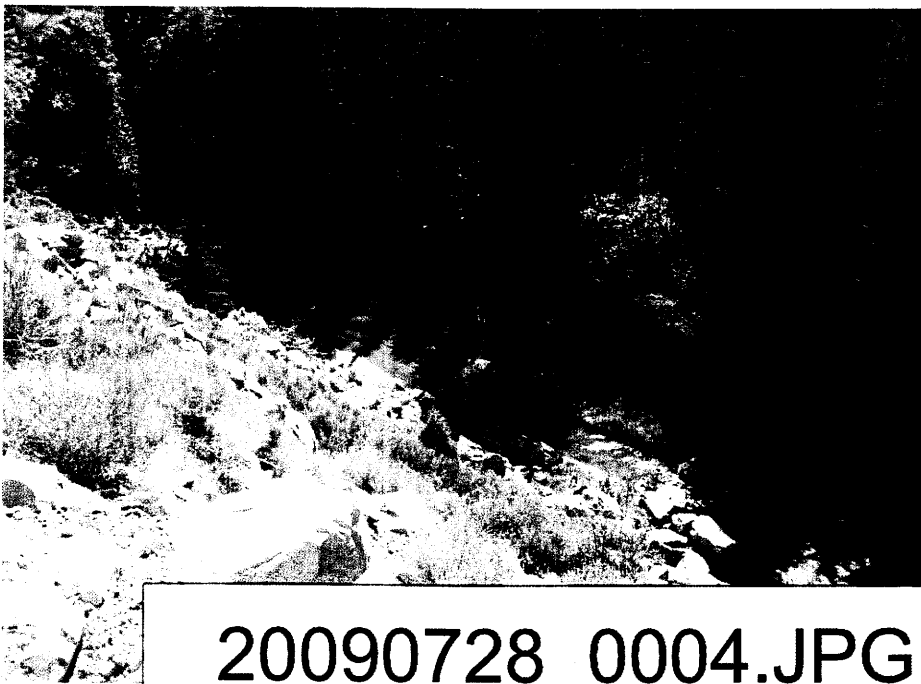
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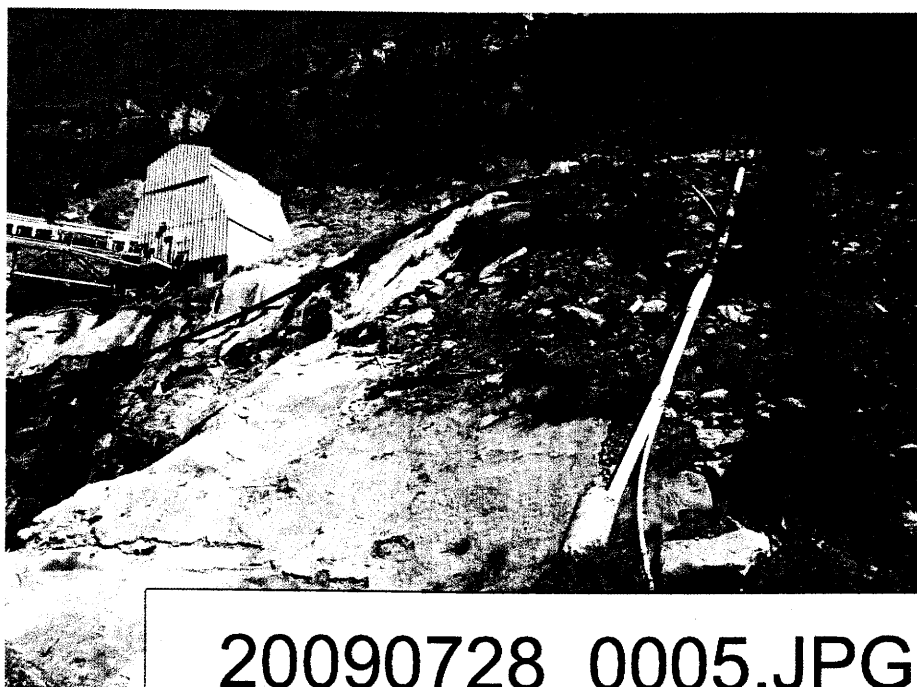
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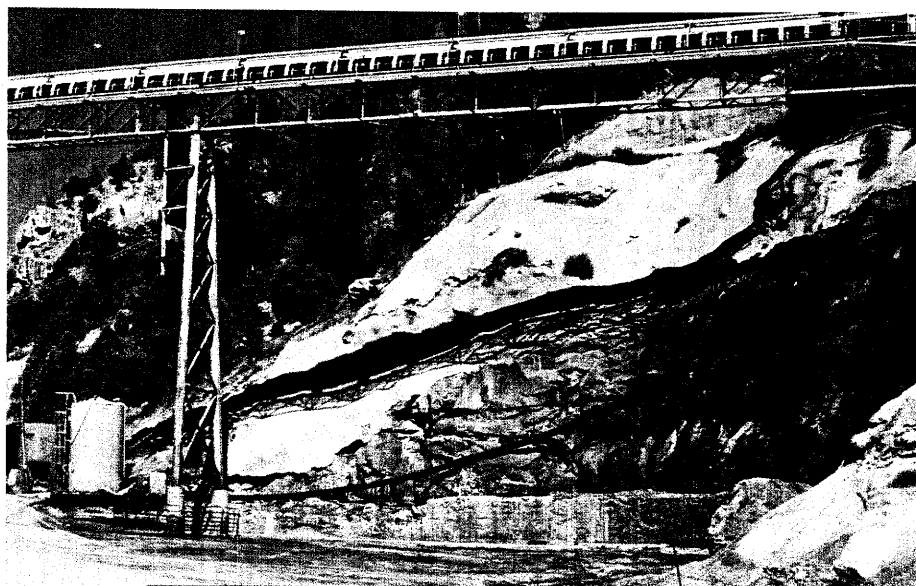
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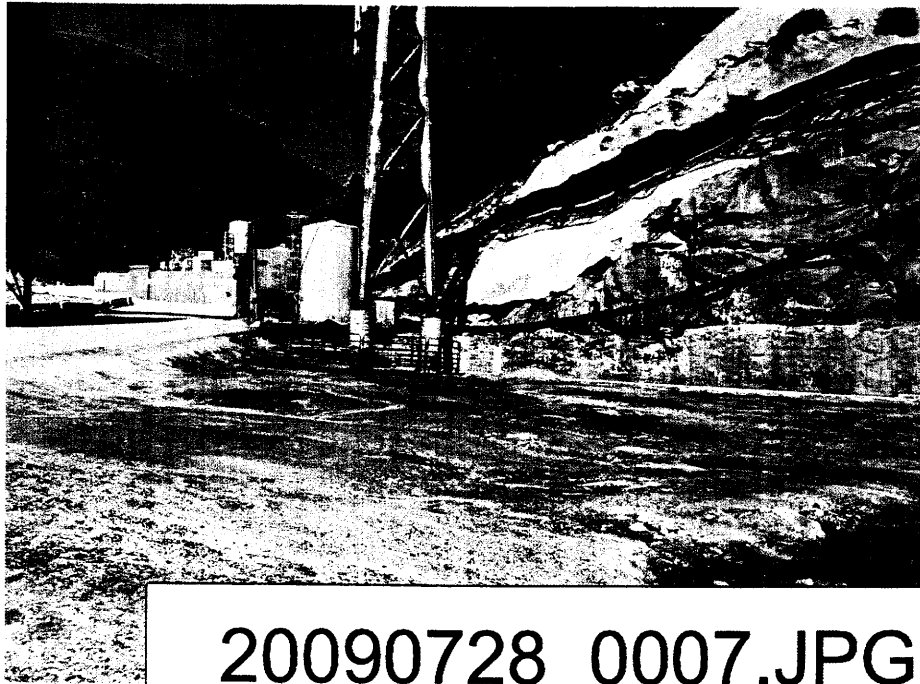
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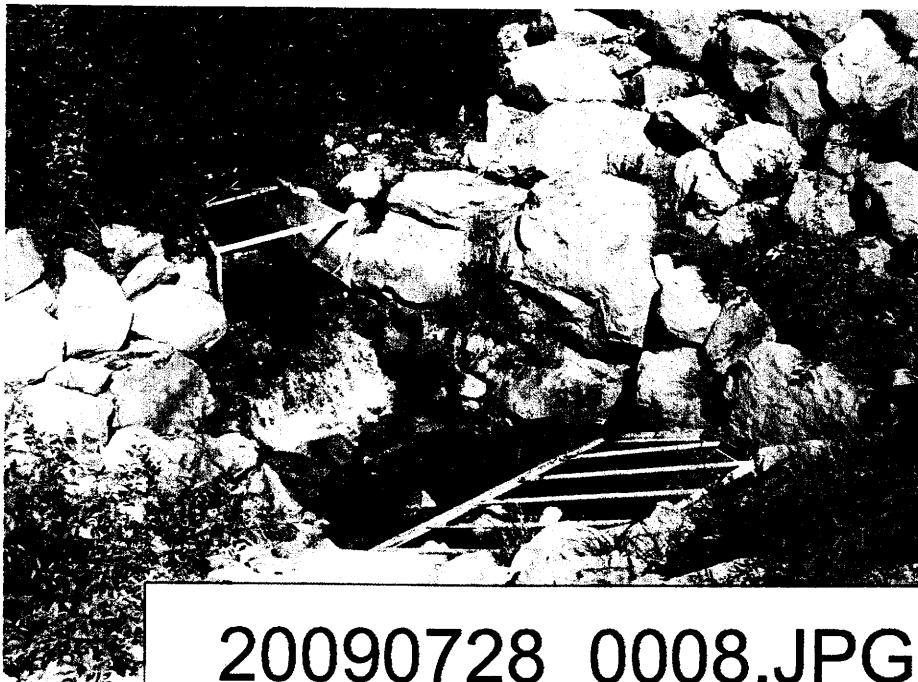
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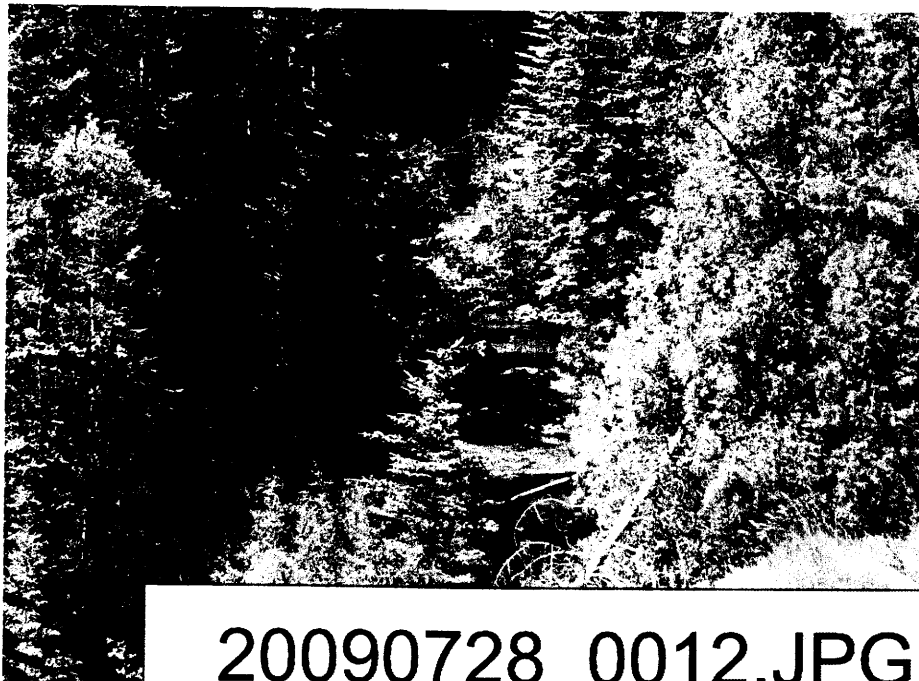
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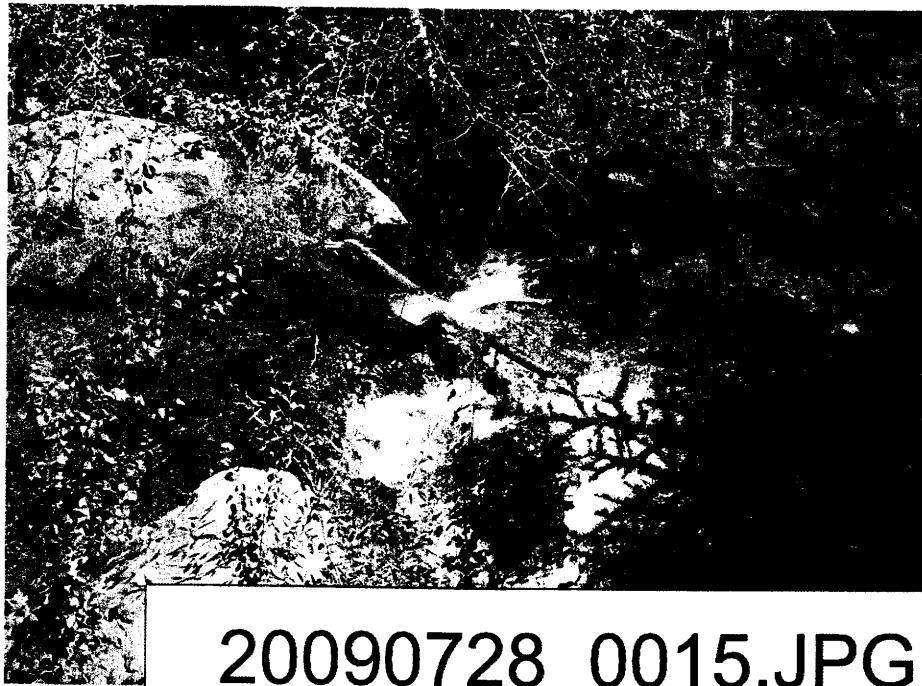
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20090728_0015.JPG



20090728_0016.JPG

Genwal RI+CSI 7-28-09 (UT0024368)

Photo Log

Photo Number	File Name	Description	Date/Time	Photographer
0001	20090728.jpg	Entrance to Genwal Resource's Crandall Canyon Mine	7-28-09 (am)	J. S. Stodette
0002		Seed pond & outfall 001		
0003		outfalls to Crandall Creek		
0004		Crandall Creek proximal to 002		
0005		New Piping for Iron treatment works		
0006		Iron treatment works & basin		
0007		Facing west from Iron treatment basin		
0008		Crandall Creek upstream		
0009		Flow meter (002)		
0010		Flow meter location for 002 flows		
0011		Downstream Crandall Creek		
0012		Downstream further along Crandall Creek		
0013		Crandall Creek just prior to confluence w/ Huntington Creek		
0014		Close up of Crandall Creek just prior to confluence		
0015		Crandall Creek just prior to confluence		
0016	✓	Huntington Creek w/ Crandall Creek confluence		✓
END				